

**Congress of the United States**  
**Washington, DC 20515**

February 2, 2018

Seema Verma, MPH  
Administrator, Centers for Medicare and Medicaid Services  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Administrator Verma,

Please accept our concerns and comments' regarding Arizona's proposed 1115 Medicaid waiver amendment submitted by Arizona Health Care Cost Containment System (AHCCCS). Section 1115 of the Social Security Act permits states to waive certain federal Medicaid requirements to conduct an "experimental, pilot, or demonstration project" that achieves the goals of the Medicaid program. Unfortunately, the submitted changes do not meet this requirement and if approved, will harm Arizona Medicaid beneficiaries and force the state to be tied up costly legal battles.

We ask that you carefully review and reject *any and all* provisions that limit access, reduce coverage, penalize low-income Arizonans, act as a barrier to care, or cause individuals to lose their coverage. These items violate the intent and objectives of the Medicaid program and therefore, are unlawful. The waiver requests do not to meet any valid experimental purpose requirements and represent a grave risk to low-income, vulnerable populations and those with disabilities. Additionally, the requested changes will add tremendous administrative burdens and costs to Arizona's Medicaid program. Below are particular items of concern:

**Work Requirements**

The State is seeking waiver authority to implement mandatory work requirements for "able-bodied" adults. This requirement would impose significant administrative burdens to the state in determining income and work requirement verifications. Independent analyses and Medicaid Health Plans of America have concluded that Medicaid work requirements will be a burden on states, causing them to further ration limited resources and reduce patient care. Appropriately defining "able-bodied" raises numerous concerns including potential discrimination, onerous physician requirements and accounting for mental and behavioral health issues.

Studies show that imposing work requirements on people already incurring hardship is ineffective in reducing poverty, ejects people from the program, and can even worsen the economic status of families and individuals, including veterans. According to the Kaiser Family Foundation, "restructuring of Medicaid...through waivers sought by states would have significant implications for veterans experiencing homelessness". KFF specifically notes that work requirements "could pose significant challenges for [veterans] given their complex health needs and limited resources". Many Medicaid recipients work low-paying jobs that do not afford them the ability to pay for even their basic needs. According to the Kaiser Family

Foundation, nearly 80 percent of working-age adults on Medicaid are already in working families. Of those who are not working, most report reasons such as illness, caring for a family member, or going to school.

Congress was clear in requiring that through Medicaid, medical assistance be provided to all eligible individuals, regardless of employment status. Linking health coverage to a work requirement will undermine access to health care and contradict the purpose of Title XIX of the Social Security Act and Congress's longstanding intent for the Medicaid program. This provision adds a new unprecedented condition of eligibility that is not permitted under federal law and will be challenged in court. *For these reasons, we urge you to immediately reject this request.*

### **Disenrollment and Redeterminations**

AHCCCS is seeking authority to dis-enroll an otherwise eligible individual should they fail to comply with the work requirements. Additionally, they are requesting permission to conduct redeterminations of eligibility bi-annually and adding unrealistic requirements for reporting changes in family income.

Disenrollment and frequent redeterminations are a means of reducing the number of people served by Medicaid. They create tremendous administrative burdens for administrative staff, beneficiaries and providers. Dropped individuals will likely end up in the emergency room, causing more uncompensated care and cost to Arizona taxpayers. Furthermore, time without access to needed treatments and medication could have a devastating and lasting impact on person's long-term health. Medicaid regulations require redeterminations for the Medicaid expansion population no more frequently than once a year. *The state proposal does not meet the federal requirements or establish any demonstration value, we urge you to immediately reject these requests.*

### **Lifetime Limits**


The State is seeking waiver authority to impose a lifetime limit of 5 years of benefits on all "able-bodied" adults. This request appears to target those with limited disabilities or with chronic conditions. This request is particularly problematic for older individuals that may lose a job closer to retirement and have nowhere to turn for needed health coverage. The state will be forced to waste resources and time tracking various circumstances to exempt a person from the new lifetime limit requirement.

Time limits are explicitly prohibited under Medicaid law and have never been allowed in the history of the program. *The state proposal does not meet the federal requirements or establish any demonstration value, we urge you to immediately reject these requests.*

We are also deeply concerned with the impact this waiver will have on the more than 150,000 American Indians / Alaska Natives enrolled in the Arizona Medicaid program, it is unacceptable for the CMS to permit any waiver moving forward that will negatively impact this population.

The decisions before CMS have the potential to impact hundreds of thousands of individuals' health care, raise cost for everyone who continues to be insured, reduce our workforce, and damage our overall state economy. This proposal places undue hardships on those in the state that are least able to comply and will create immense administrative burdens on an already limited Medicaid program. Moreover, the waiver request fails to comply with basic Medicaid law and objectives, fails to offer any demonstration value and for this reason will force our state into costly legal battles. We urge you to act swiftly to deny this 1115 waiver and the included amendments that will harm Arizonans.


Sincerely,



Raúl M. Grijalva  
Member of Congress



Tom O'Halleran  
Member of Congress



Kyrsten Sinema  
Member of Congress



Ruben Gallego  
Member of Congress